

continuing trade relationship. I believe most of my Senate colleagues feel the same way. I am confident there will be many success stories, but there are also valuable lessons to be learned from watching U.S. companies that have tried to do business thus far.

Panda Energy International is one such company. Panda is currently building a substantial gas-powered generator in Union County, Arkansas, and I have been personally briefed by Panda's officials about their difficulties in China. Panda spent six years developing a power project near Tangshan in Hebei Province. It signed a contract to sell all of the output from the project to the North China Power Group—an arm of the national utility—at a price to be determined by a formula. Armed with this contract, Panda borrowed \$155 million needed to construct the project through a public bond offering in the U.S. capital markets. Construction for the project got underway in 1997. The project was completed late last year, and has been in limbo since that time.

The project cannot sell power without formal approval of a tariff, or price for its electricity, by the Tangshan municipal pricing bureau. The Tangshan pricing bureau has been reluctant to assign a tariff that would then set in motion the need to buy additional electricity for the region where demand has recently diminished. At the same time, Panda Energy is in a perilous bind, because it had to mortgage all of its existing power plants—two in the United States and one in Nepal—as security to guarantee the U.S. bond holders they would be repaid their loans. The company is on the verge of defaulting on the loans.

Mr. EDWARDS. Would the Senator yield?

Mrs. LINCOLN. I would be pleased to yield to my friend from North Carolina.

Mr. EDWARDS. I want to associate my self with the concern expressed by the Senator from Arkansas. Panda Energy has a major gas-fired co-generator in northwestern North Carolina. That plant, in Roanoke Rapids, was the first project completed by this corporation and has been a significant supplier of electricity to the citizens of my state for the past ten years.

I, too, have been briefed about the difficulties Panda has faced in their effort to improve China's electricity-generating infrastructure. The commitment to approve and issue a formal tariff to the Panda Project in Luannan County, that the municipal and provincial governments agreed to, is not being honored. By failing to honor their commitment to grant a reasonable tariff rate, these governments have precluded the commercial generation of power. If this continues, the U.S. bondholders will have no choice but to foreclose on what represents the

first U.S. capital markets power project financing in China.

This is a difficult situation for both sides, but the bottom line is that the international trading system breaks down if agreements are not honored, especially for large infrastructure projects like this one with long lead times. People invest money based on these agreements. They put their companies at risk.

I would like to yield to my colleague, Senator KERRY, who has been working on this issue for some time.

Mr. KERRY. Mr. President, I have been aware of this story since July. Many of the bonds for this project are held through mutual funds in which Americans have invested their savings. This is not just a question of inequity for the U.S. developer of the project but also for millions of Americans who are the bondholders, and many of whom are my constituents.

In response to a letter written on August 7 to the Chinese ambassador, the chargé d'affaires indicated that he had met with both the U.S. developer and representatives from the U.S. bondholders, had conveyed the concern back home, and would be—quote—making efforts to facilitate a satisfactory solution to this problem—end quote. It has now been almost two months, and we have seen no resolution of this problem, but rather delay and discrimination.

I note that the Democratic Leader has joined us, and I would like to suggest to him a report by the Administration, but first I would yield the Floor to my colleague from Montana, Senator BAUCUS.

Mr. BAUCUS. Mr. President, I do not have first hand knowledge of the situation, but it is troubling to hear of U.S. businesses running into such difficulties. I read the written statement that the U.S. sponsor of this project submitted to the Senate Finance Committee last spring.

Two things struck me. One is that the mediator split the difference. He split the difference between the price for electricity proposed by the Tangshan pricing bureau and the minimum price that the U.S. developer of the project said it needed in order to avoid defaulting on the project debt. The other thing that struck me is, although this was no great result for the U.S. developer, all the developer is seeking at this point is to have the mediator's recommendation implemented.

I would like to read a paragraph from the statement that the U.S. sponsor of the project submitted to the Senate Finance Committee. This is the president of the company speaking. "I am not here to ask you or your colleagues to grant or deny China PNTR status. I am here to relate a story of how one U.S. company fared when it tried to supply electricity to the Chinese. Unfortunately, we have come to find that our

experience is not all that uncommon. However, in our case, the consequences are potentially disastrous because Panda had to guarantee the U.S. bondholders that they would be repaid. We feel like the jilted bride who entered into a marriage five years ago with the Chinese only to find them trying to walk away from the marriage now that the child has been born. This isn't fair."

I agree, and I yield the Floor to the Democratic Leader.

Mr. DASCHLE. Mr. President, I have discussed this unfortunate situation with several of my colleagues. I believe that it would be very helpful to have the Secretary of Commerce and the Secretary of Energy undertake a joint analysis of the facts of this situation and report back to the Senate on their discussions with the Chinese government within 45 days.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, October 4, 2000, the Federal debt stood at \$5,653,380,479,214.62, five trillion, six hundred fifty-three billion, three hundred eighty million, four hundred seventy-nine thousand, two hundred fourteen dollars and sixty-two cents.

One year ago, October 4, 1999, the Federal debt stood at \$5,654,411,000,000, five trillion, six hundred fifty-four billion, four hundred eleven million.

Five years ago, October 4, 1995, the Federal debt stood at \$4,980,561,000,000, four trillion, nine hundred eighty billion, five hundred sixty-one million.

Ten years ago, October 4, 1990, the Federal debt stood at \$3,255,813,000,000, three trillion, two hundred fifty-five billion, eight hundred thirteen million.

Fifteen years ago, October 4, 1985, the Federal debt stood at \$1,823,105,000,000, one trillion, eight hundred twenty-three billion, one hundred five million, which reflects a debt increase of almost \$4 trillion—\$3,830,275,479,214.62, three trillion, eight hundred thirty billion, two hundred seventy-five million, four hundred seventy-nine thousand, two hundred fourteen dollars and sixty-two cents, during the past 15 years.

ADDITIONAL STATEMENTS

HONORING DIRECT SERVICE PROFESSIONALS

• Mr. DURBIN. Mr. President, I am pleased today to join the Illinois chapter of the American Association on Mental Retardation in recognizing the recipients of the 2000 Direct Service Professional Award. These individuals are being honored for their outstanding devotion to the effort to enrich the lives of people with developmental disabilities in Illinois.